



State of Utah

SPENCER J. COX  
Governor

DEIDRE HENDERSON  
Lieutenant Governor

Department of  
Environmental Quality

Kimberly D. Shelley  
Interim Executive Director

DIVISION OF WATER QUALITY  
Erica Brown Gaddis, PhD  
Director

**Water Quality Board**  
Jennifer Grant, Chair  
Gregg A. Galecki, Vice Chair  
Steven K. Earley  
Brandon Gordon  
Michael D. Luers  
Emily Niehaus  
Kimberly D. Shelley  
Dr. James VanDerslice  
James Webb  
Dr. Erica Brown Gaddis  
Executive Secretary

**MINUTES**

**UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY  
UTAH WATER QUALITY BOARD  
Via Adobe Connect**

February 19, 2021  
1:00 pm Finance Committee Meeting

**UTAH WATER QUALITY BOARD MEMBERS PRESENT**

Steven Earley                      James VanDerslice  
Jennifer Grant                     James Webb  
Mike Luers

Excused:    Gregg Galecki  
               Brandon Gordon  
               Emily Niehaus  
               Kim Shelley

**DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT**

Emily Cantón                      Brenda Johnson  
Krystol Carfaro                    John Mackey  
Skyler Davies                      Andrew Pompeo  
Erica Gaddis                        Beth Wondimu  
Ken Hoffman

**OTHERS PRESENT**

Justin Atkinson                  Sunrise Engineering

**Dr. Gaddis called the Finance Committee Meeting to order at 1:00 pm.**

**FINANCE COMMITTEE DISCUSSION**

On January 27, 2021, funding requests from Price City, Mountain Green SID, and Payson City totaling \$35,329,000 were presented to the Water Quality Board (Board). The low 5-year combined State

Revolving Fund (SRF) and Utah Wastewater Loan Fund (UWLF) unobligated fund balance is projected to occur in FY2023 at \$20,948,048. However, a projected combined balance in FY26 is \$98,588,145. This means fully funding these projects is not possible and priorities must be set. As part of this analysis staff considered project draw schedules over which funding is needed and considered partial funding options that could maximize Board support of these projects.

The Water Quality Board members present asked that the following alternatives be presented at the next board meeting.

**ALTERNATIVE 1B:** Fund the projects as requested with a \$13,429,000 loan to MGSID and a \$23,000,000 loan to Payson. However, for Alternative 1B to be viable the Board would need to specify the fiscal year and amounts when fund draws may occur. This would likely require the communities to take out short-term construction loans to complete their projects on schedule. This is a viable alternative but outside of how the Board has typically funded projects.

**ALTERNATIVE 2B:** Fund the projects at 50% of requested with a \$7,000,000 loan to MGSID and a \$11,500,000 loan to Payson. As was the case for Alternative 1B, for the Alternative to be viable the Board would need to specify the fiscal year and amounts when funds can be drawn. This would require the applicants to acquire the funding difference from a funding partner or the private market. Using staff's best effort of projecting fund allocations, this is a viable alternative. Note this would obligate the available loan funds but \$10,000,000 would be held in reserve with \$5,000,000 available to projects in FY22 and \$5,000,000 available for project obligation in FY23. Last, it is worth noting the Division is not seeing applicants bringing in shovel ready projects so the more important balance could be FY24 at \$7,500,000 with \$15,000,000 in reserve.

**REBUILD HARDSHIP GRANT:** Fund projects that have financial capability for interest and/or hardship grant assessment rates to be charged on principal loan amounts.

To listen to the full recording of the Board meeting go to: <http://www.utah.gov/pmn/index.html>.

**Next Meeting – February 24, 2021 at 8:30 am**  
Via Adobe Connect  
<https://utdeq.adobeconnect.com/wqb/>

*Jennifer Grant*

Jennifer Grant (Mar 24, 2021 13:08 MDT)

---

Jennifer Grant, Chair  
Utah Water Quality Board